GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3199
ANSWERED ON:11.08.2000
INCENTIVES TO FOOD PROCESSING INDUSTRIES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the food processing industries have been given various incentives during the last three years in order to promote the export;

(b) if so, the details thereof;

(c) the total value of export made by food processing sector during 1997-98 and 1998-1999; and

(d) the details of investment made each year during the above period in food processing sector?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b) Various export facilitation schemes under the Export & Import Policy, 1997-2002, are operational which can be made use of by all sectors of industries including the food processing industry. The major schemes are Export Promotion Capital Goods Scheme, Duty Exemption/Remission Schemes under which capital goods and inputs to be incorporated in the export product may be imported at concessional/zero duty of import. Further, the Government provides assistance under the Plan Schemes for development of food processing sector which also include the units engaged in export production. The assistance provided in this regard includes grant/loan for establishment of post harvest infrastructure, cold chain facilities for food processing, assistance for undertaking Research and Development, human resource development, for development and modernisation of meat processing, strengthening of traditional fish processing technologies and marketing, grant of financial assistance for improved packaging and strengthening of quality control including adoption of quality systems such as ISO 9000/HACCP, arranging promotional campaigns such as buyer-seller meets and participation in important international fairs and exhibitions, and setting up of integrated cargo handling and cold storage facilities at various International Airports.

(c) The value of export of processed food items comprising processed fruits and vegetables and other processed food items such as jaggery and confectioneries, cocoa products, cereal preparations, alcoholic beverages, milled products, guar gum, and groundnuts during the years 1997-98 and 1998-99 has been as follows :-

Year	Value (Rs. in Crores)
1997-98	2256.37
1998-99	1824.21

(d) The inflow of foreign direct investments and domestic investments approved during the years 1997-98 and 1998-99 in the food processing industries has been as follows :

Year	Amount of inflow of Foreign Direct Investment (in Rs.Crores)	Domestic Investments (in Rs.Crores)
1997-98	342.09	1988
1998-99	94.75	2038